

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA
Title III

No. 17 BK 3283-LTS

Re: ECF Nos. 3735, 3736, 3755, 3806

(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO,

Debtor.

PROMESA
Title III

No. 17 BK 3283-LTS

This Urgent Motion relates to the Commonwealth, HTA, and PREPA, and shall be in Case Nos. 17 BK 3283-LTS, 17 BK 3567-LTS, and 17 BK 4780-LTS.

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO HIGHWAYS AND
TRANSPORTATION AUTHORITY (“HTA”),

PROMESA
Title III

No. 17 BK 3567-LTS

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Debtor.	
In re: THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO, as representative of PUERTO RICO ELECTRIC POWER AUTHORITY, Debtor.	PROMESA Title III No. 17 BK 4780-LTS

CONSENTED URGENT MOTION FOR EXTENSION OF DEADLINES

To the Honorable United States District Court Judge Laura Taylor Swain:

COMES NOW Autonomous Municipality of Ponce (hereafter, “AMP”), through the undersigned counsel and very respectfully states and prays this urgent motion for entry of an order, substantially in the form attached hereto as Exhibit A (the “Proposed Order”), extending the deadlines set forth in the Order Granting submit this urgent consented motion for extension of deadlines, substantially in the form attached hereto as Exhibit A (the “Proposed Order”), extending the deadlines set forth in the Order Further Extending Deadlines Regarding Filing of a Joint Status Report [Case No. 17 BK 3283, ECF No. 3935]

(the “Second Amended Scheduling Order”).

Request for Relief

1. On May 4, 2018, the Autonomous Municipality of Ponce (“Movant”) filed the *Motion for Partial Lift of Stay* [Case No. 17 BK 3283, ECF No. 3019] (the “Motion”), seeking relief from the automatic stay to allow the case captioned *Municipio de Ponce v. ACT, et al.*, Case No. JAC1993-0485 (the “Prepetition Action”), before the Puerto Rico Court of First Instance to proceed, except for any evidentiary hearing on damages, and for the judgment entered on June 24, 1996 in the Prepetition Action (the “Prepetition Judgment”) to be enforced, except for any judgment or settlement for damages. Motion ¶¶ 9, 15.

2. On July 5, 2018, the Commonwealth filed the *Objection of the Commonwealth to Motion for Partial Lift of Stay filed by Autonomous Municipality of Ponce Stay* [Case No. 17 BK 3283, ECF No. 3439] (the “Commonwealth Objection”) arguing, among other things, that the enforcement of the Prepetition Judgment would require that the Commonwealth expend over \$100 million.

3. On that same date, PREPA filed the *Joinder of the Puerto Rico Fiscal Agency and Financial Advisory Authority on Behalf of the Puerto Rico Electric Power Authority to Objection of the Commonwealth to Motion for Partial Lift of Stay Filed by Autonomous Municipality of Ponce* [Case No. 17 BK 4780, ECF No. 898]. PREPA joined the Commonwealth Objection and indicated that enforcement of the Prepetition Judgment would require it to spend approximately \$16 million.

4. On July 20, 2018, HTA filed the *Joinder of the Puerto Rico Fiscal Agency and Financial Advisory Authority on Behalf of the Puerto Rico Highways and Transportation Authority to Objection of the Commonwealth to Motion for Partial Lift of Stay Filed by Autonomous Municipality of Ponce* [Case No. 17 BK 32830, ECF No. 3661; Case No. 17 BK 3567, ECF No.

471]. HTA joined the Commonwealth Objection and indicated that enforcement of the Prepetition Judgment would require it to spend approximately tens of thousands of dollars annually to fund of a court-appointed monitor pursuant to the Prepetition Judgment.

5. On August 3, 2018, Movant filed the *Omnibus Reply to Opposition to Motion Requesting Lift of Stay* [Case No. 17 BK 3283, ECF No. 3735] (the “Reply”).

6. On that same date, Movant also filed the *Motion Requesting Hearing on 362 Lifting of the Stay* [Case No. 17 BK 3283, ECF No. 3736] (the “Motion Requesting Hearing”) requesting that the Court enter an order scheduling an evidentiary hearing to consider the Motion.

7. On August 9, 2018 the Court entered a *Scheduling Order Regarding Hearing Request and Reply filed by the Autonomous Municipality of Ponce* Case [Case No. 17 BK 3283, ECF No. 3755; Case No. 17 BK 3567, ECF No. 482 and Case No. 17 BK 4780, ECF No. 937] (the “Scheduling Order”), which provided that: (i) responses to the issues addressed in Section II and III of the Reply and (ii) Debtors’ positions as to the Motion Requesting Hearing had to be filed by August 15, 2018 at 5:00 p.m. The Scheduling Order also directed the Debtors and Movant to meet and confer and to submit a joint status report by August 21, 2018 at 5:00 pm.

8. On August 15, 2018, the Debtors filed an *Urgent Consented Motion for Extension of Deadlines* [Case No. 17 BK 3283, ECF No. 3773; Case No. 17 BK 3567, ECF No. 483 and Case No. 17 BK 4780, ECF No. 938] requesting additional time as the Debtors were in the process of reviewing the pertinent information regarding the facts and issues raised in the Reply.

9. On August 16, 2018, the Court entered an *Order Extending Deadlines Regarding Hearing Request and Reply filed by the Autonomous Municipality of Ponce* (the “Amended Scheduling Order”) [Case No. 17 BK 3283, ECF No. 3777] extending the deadlines for the Debtors to file the responses to the Reply and to the Motion Requesting Hearing to August 24, 2018 at 5:00

pm. The Amended Scheduling Order also extended the deadline for the Debtors and Movant to meet and confer and file the joint status report to August 30, 2018 at 5:00 pm.

10. On August 24, 2018, the Debtors filed a *Second Urgent Consented Motion for Extension of Deadlines* (the “Second Amended Scheduling Order”) [Case No. 17 BK 3283, ECF No. 3805; Case No. 17 BK 3567, ECF No. 490 and Case No. 17 BK 4780, ECF No. 942] requesting additional time as the Debtors were in the process of reviewing the pertinent information and interviewing several officers with relevant information regarding the facts and issues raised in the Reply.

11. On August 27, 2018, the Court entered the Second Amended Scheduling Order extending the deadlines for the Debtors to file the responses to the Reply and to the Motion Requesting Hearing to September 10, 2018 at 5:00 pm. The Second Amended Scheduling Order also extended the deadline for the Debtors and Movant to meet and confer and file the joint status report to September 14, 2018 at 5:00 pm.

12. On September 10, 2018, the Commonwealth filed the *Commonwealth’s Response to (A) Omnibus Reply to Opposition to Motion Requesting Lifting of the Stay and (B) Motion Requesting Hearing on 362 Lifting of the Stay Filed by Autonomous Municipality of Ponce* (the “Commonwealth’s Response”) [Case No. 17 BK 3283, ECF No. 3911; Case No. 17 BK 3567, ECF No. 503; and Case No. 17 BK 4780, ECF No. 957]. In its Response, and in compliance with the Scheduling Order, the Commonwealth responded to the issues addressed in Section II and III of the Reply and stated its position as to the Motion Requesting Hearing.

13. On that same date, PREPA filed the *Joinder of the Puerto Rico Fiscal Agency and Financial Advisory Authority on Behalf of the Puerto Rico Electric Power Authority to the Commonwealth’s Response to (A) Omnibus Reply to Opposition to Motion Requesting Lifting of*

the Stay and (B) Motion Requesting Hearing on 362 Lifting of the Stay Filed by Autonomous Municipality of Ponce. [Case No. 17 BK 3283, ECF No. 3805; Case No. 17 BK 4780, ECF No. 956].

14. Also, on that same date, HTA filed the *Joinder of the Puerto Rico Fiscal Agency and Financial Advisory Authority on Behalf of the Puerto Rico Highways and Transportation Authority to Commonwealth's Response to (A) Omnibus Reply to Opposition to Motion Requesting Lifting of the Stay and (B) Motion Requesting Hearing on 362 Lifting of the Stay Filed by Autonomous Municipality of Ponce.* [Case No. 17 BK 3912, ECF No. 3913; Case No. 17 BK 3567, ECF No. 504; and Case No. 17 BK 4780 ECF No. 958].

15. The Movant are working diligently with the relevant Debtors to obtain the necessary information to include in the joint status report for the hearing on the Motion when it will schedule. Nevertheless, the Monitor in "Ponce en Marcha" case got affected in his health during pass week and Movant need additional time to complete this process and finalize their part of the joint status report. In consideration of the foregoing, the Movant request the following extension of the deadline set forth in the Second Amended Scheduling Order:

- The deadline for Movant and the Debtors to file the joint status report shall be extended to **October 4, 2018.**

16. The Movant discussed this request with counsel for the Debtors who consented to the relief requested herein.

17. Pursuant to Paragraph 1.H of the *Fifth Amended Notice, Case Management and Administrative Procedures* [Case No. 17 BK 3283, ECF No. 3730-1] (the "Case Management Procedures"), the Debtors hereby certify that they have carefully examined the matter and concluded that there is a true need for an urgent motion; they have not created the urgency through any lack of due diligence; have made a bona fide effort to resolve the matter without a hearing;

have made reasonable, good-faith communications in an effort to resolve or narrow the issues that are being brought to the Court, and no party opposes the relief requested herein.

Notice

18. The Movant have provided notice of this motion in accordance with the Case Management Procedures to the following parties: (a) the Office of the United States Trustee for the District of Puerto Rico; (b) the indenture trustees and/or agents, as applicable, for the Debtors' bonds; (c) the entities on the list of creditors holding the 20 largest unsecured claims against COFINA; (d) counsel to the statutory committees appointed in these Title III cases; (e) the Office of the United States Attorney for the District of Puerto Rico; (f) counsel to the Oversight Board; (g) the Puerto Rico Department of Justice; (h) the Other Interested Parties;³ (i) all parties filing a notice of appearance in these Title III cases; and (j) Movant. A copy of the motion is also available on the Debtors' case website at <https://cases.primeclerk.com/puertorico/>.

19. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

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WHEREFORE, the Debtors respectfully request the Court enter the Proposed Order and grant such other relief as is just and proper.

Dated: September 25, 2018
San Juan, Puerto Rico

Respectfully submitted,

/s/Carlos Fernández-Nadal
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Exhibit A

Proposed Order

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

<div>In re:</div> <div>THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,</div> <div>as representative of</div> <div>THE COMMONWEALTH OF PUERTO RICO, <i>et al.</i>,</div> <div>Debtors.¹</div>	<div>PROMESA Title III</div> <div>No. 17 BK 3283-LTS</div> <div>Re: ECF Nos. 3019, 3755, 3777 3806</div> <div>(Jointly Administered)</div>
<div>In re:</div> <div>THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,</div> <div>as representative of</div> <div>THE COMMONWEALTH OF PUERTO RICO,</div> <div>Debtor.</div>	<div>PROMESA Title III</div> <div>No. 17 BK 3283-LTS</div> <div>This Order relates to the Commonwealth, HTA, and PREPA, and shall be filed in Case Nos. 17 BK 3283-LTS, 17 BK 3567- LTS, and 17 BK 4780-LTS.</div>
<div>In re:</div> <div>THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,</div> <div>as representative of</div> <div>PUERTO RICO HIGHWAYS AND TRANSPORTATION AUTHORITY (“HTA”),</div>	<div>PROMESA Title III</div> <div>No. 17 BK 3567-LTS</div> <div>Re: ECF No. 491</div>

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Debtor.	
In re: THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO, as representative of PUERTO RICO ELECTRIC POWER AUTHORITY, Debtor.	PROMESA Title III No. 17 BK 4780-LTS Re: ECF No. 943

**ORDER EXTENDING DEADLINES UNDER
ORDER FURTHER EXTENDING DEADLINES REGARDING HEARING REQUEST AND
REPLY FILED BY THE AUTONOMOUS MUNICIPALITY OF PONCE**

Upon the *First Urgent Consented Motion for Extension of Deadlines* (the “Extension Motion”);² and the Court having found it has subject matter jurisdiction over this matter pursuant to PROMESA section 306; and it appearing that venue in this district is proper pursuant to PROMESA section 307; and the Court having found that the relief requested in the Extension Motion is in the best interests of the Movant and Debtors; and the Court having found that the Movant provided adequate and appropriate notice of the Extension Motion under the circumstances and that no other or further notice is required; and the Court having reviewed the Extension Motion; and the Court having determined that the factual bases set forth in the Extension Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY ORDERED THAT:**

1. The Extension Motion is granted as set forth herein.
2. The deadline for Movant and the Debtors to file the joint status report on the matters specified in the Scheduling Order shall be extended to **October 4, 2018**.

² Capitalized terms used but not otherwise defined herein have the meanings given to them in the Extension Motion.

3. This Order resolves docket entry no. _____ in Case No. 17-3283-LTS, docket entry no. _____ in Case No. 17-3567, and docket entry no. _____ in Case No. 17-4780.

Dated: _____, 2018

HONORABLE LAURA TAYLOR SWAIN
UNITED STATES DISTRICT JUDGE